



## **Standard Terms of Business**

The following standard terms of business apply to all engagements by Carbon Accountancy Limited. All work carried out is subject to these terms except where changes are expressly agreed in writing.

### **1. Professional obligations**

We will observe the Bye-laws, regulations and ethical guidelines of The Institute of Chartered Accountants in Ireland and accept instructions to act for you on the basis that we will act in accordance with these guidelines. Copies of these requirements are available for inspection in our office.

Where you give us confidential information we shall at all times keep it confidential, except as required by law or as provided for in regulatory, legal or other professional pronouncements applicable to this engagement.

We will notify you immediately should we become aware of any conflict of interest to which we are subject in relation to you or your business.

### **2. Investment services**

2.1 We are licensed by The Institute of Chartered Accountants in Ireland to provide certain limited investment services where are complimentary to or arise out of the professional services we are providing to you. We are not authorized by the Financial Conduct Authority (FCA) to conduct investment business.

2.2 In particular, we may:

- Advise you on investments generally, but not recommend a particular investment or type of investment;
- Refer you to a Permitted Third Party (PTP) (an independent firm authorized by the FCA). Assist you and the PTP during the course of any advice given by that party and comment on, or explain, the advice received (but not make alternative recommendations). The PTP will issue you with his own terms and conditions letter, will be remunerated separately for his services and will take full responsibility for compliance with the requirements of the Financial Services and Markets Act 2000. Please note that this firm accepts no responsibility for advice given by PTP's and your engagement is directly between you and them.
- Advise you in connection with the disposal of an investment, other than your rights in a pension policy or scheme;
- Advise and assist you in transactions concerning shares or other securities not quoted on a recognized exchange; and
- Assist you in making arrangements for transactions in investments in certain circumstances.



- 2.3 We may also, on the understanding that the shares or other securities of the company are not publicly traded;
- Advise the company, existing or perspective shareholders in relation to exercising rights, taking benefits or share options, valuations and methods of such valuations;
  - Arrange any agreements in connection with the issue, sale or transfer of the company's shares and other securities;
  - Arrange for the issue of new shares; and
  - Act as the addressee to receive confirmation of acceptance of offer documents etc.

### **3 Commissions or other benefits**

- 3.1 Commissions or other benefits may sometimes become payable to us in respect of introductions to other professionals or transactions we arrange for you, in which case you will be notified in writing of the amount, the terms of payment and receipt of any such commissions or benefits. Such commission will be retained by us unless previously agreed with you.

### **4 Client Monies**

- 4.1 As a firm we do not hold client monies. Therefore we would be grateful if you could ensure that funds are only provided to us for our fees. If you are making any other payments via our office (for example, making payments to HMRC) we are happy to forward these on for you – but please ensure your cheque is made payable to the correct payee and not Carbon Accountancy Limited and that the relevant reference number is written on the back of the cheque for security purposes. We cannot be held responsible for any loss arising as a result of cheques not being delivered to us or for any cheques forwarded by us which are not received by the intended recipient.

### **5 Fees**

- 5.1 Our fees are set out in the covering letter accompanying these Standard Terms of Business. Our fees are computed on the basis of time spent on your affairs by the principal and our staff, and on the level of skill and responsibility involved. If the engagement is ongoing our fees may be subject to annual increases in line with inflation unless otherwise specified in the covering letter. We will advise you of any intended increases at the appropriate time.
- 5.2 We endeavour to work on a fixed fee basis wherever possible. If it is necessary to carry out work outside the responsibilities outlined in the Engagement Letter it may involve additional fees. Accordingly we would like to point out that it is in your interests to ensure that your records etc. are completed to the agreed stage. In the event of additional fees being chargeable we will notify in advance and agree the proposed fees with you in advance of undertaking any work.
- 5.3 Invoices are payable in full on presentation of the invoice.
- 5.4 Should you wish to make arrangements to pay fees on a monthly standing order please contact us. These standing orders will be applied to fees arising from work agreed in



our letter of engagement for the current and ensuing years. Once we have been able to assess the amount of work and time involved we would be grateful if you would agree to pay an amount to us on a regular basis. Payments on account will not be refunded under any circumstances.

- 5.5 Our terms relating to payment of amounts involved and not covered by standing orders, where appropriate, are strictly due on being invoiced. Interest and compensation for recovery costs will be charged on all overdue debts at the rate of the time being applicable under the Late Payment of Commercial Debts (Interest) Act 1998.

## **6 Dealing with HMRC enquiries**

We endeavour to ensure that all our clients comply with HMRC to the fullest extent. In doing so we require your co-operation:

- To provide us with details of all your sources of income;
- Not to withhold information concerning your sources of income;
- To provide us with details of all your expenses and relevant tax deductions;
- To respond to our queries on a timely basis;

As you are no doubt aware HMRC conducts a range of enquiries each year into taxpayers' affairs. These enquiries are generally of two types:

- i) Limited scope enquiry – generally these tend to arise through random selection of files and result in HMRC raising queries on a specific part of the tax return – for example asking for proof of a specific item of income or tax deduction. These enquiries are relatively easy to deal with and provided that HMRC is satisfied with the response the enquiry is generally closed. Where HMRC is not satisfied with the response it will generally open a full scope enquiry (see below).
- ii) Full scope enquiry – generally these arise in one of three circumstances:
  - Failure to satisfy a limited scope enquiry (see above); OR
  - A random selection for full scope enquiry; OR
  - As a result of information becoming available to HMRC which throws doubt on the accuracy and completeness of the taxpayer's returns.

A full scope enquiry will generally take several months to deal with and requires considerable work and co-operation between us and you. It will generally involve supplying all financial records (including, bank statements, credit card statements, invoices, receipts, cheque books, paying in books, details of assets etc.) to HMRC and several meetings and/or detailed correspondence with HMRC to discuss and clarify your affairs.

In addition to the above, if you are an employer or your business is registered for VAT you may be subject to occasional PAYE/NI or VAT inspections. Generally these inspections take place either at your premises or at our offices. Such inspections usually take up to one day for HMRC to complete.

We have set out your options in relation to our fees relating to HMRC enquiries in the covering letter.



## **7 Retention of and access to records**

- 7.1 During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation of your financial statements. You should retain these records for at least seven years from the end of the accounting year to which they relate.
- 7.2 Whilst certain documents may legally belong to you, we intend to destroy correspondence and other papers that we store which are more than seven years old, other than documents which we consider to be of continuing significance. If you require retention of any document you must notify us of that fact in writing.
- 7.3 In the event of termination of our engagement any source records (for example, invoices, receipts, bank statements, cheque books and paying in books) will be returned to you on a written request from you for their return. These documents will not be withheld by us under any circumstances regardless of the nature of the dispute.
- 7.4 Other documentation, such as hard and soft copies of data processed by us and our working papers belong to us and will only be released if we feel it is appropriate to do so. Such documentation will not be released in the event of a dispute between us unless the dispute is resolved (and we feel it is appropriate to release the documentation) or unless otherwise agreed by us.

## **8 Recruitment of staff**

We agree not to approach your staff to offer them a position of employment, either with this firm or with a client of this firm whilst they are employed by you.

You agree not to approach our staff to offer them a position of employment, either with your business, a business connected to you or with a third party whilst they are employed by us.

## **9 Quality control**

- 10.1 As part of our ongoing commitment to providing a quality service, our files are periodically subject to an independent regulatory or outside quality review. Our reviewers are highly experienced and professional people and are, of course, bound by the same requirements of confidentiality as our principal and staff.

## **11 Help us to give you the right service**

- 11.1 If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please let us know, by emailing, writing to or telephoning John Leyden.
- 11.2 We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If you feel that we have given you a less than satisfactory service, we undertake to do everything reasonable to address your concerns. If you are still not satisfied, you may of course take up matters with The Institute of Chartered Accountants in Ireland.



11.3 In order for us to provide you with a high quality service on an ongoing basis it is essential that you provide us with relevant records and information when requested, reply to correspondence in a timely manner and otherwise follow the terms of the agreement between us set out in this Standard Terms of Business and associated Engagement Letters. We therefore reserve the right to cancel the engagement between us with immediate effect in the event of:

- Your insolvency, bankruptcy or other arrangement being reached with creditors;
- Failure to pay our fees by the due dates;
- Either party being in breach of their obligations where this is not corrected within 30 days of being asked to do so.

11.4 In addition this agreement may be terminated for any reason if one month's notice is given (or such other period as may be specified in the Engagement Letter).

## **12 Internet communication**

12.1 Internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communication after their dispatch. It may therefore be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation of it. We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending commercially sensitive information relating to your business are borne by you. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.

12.2 It is the responsibility of the recipient to carry out a virus check on any attachments received.

## **13 Data Protection Act 1998**

13.1 We may obtain, use, process and disclose personal data about you in order that we may discharge the services agreed under this engagement letter, and for other related purposes including updating and enhancing client records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance. You have a right of access, under data protection legislation, to the personal data that we hold about you. We confirm that when processing data on your behalf we will comply with the provisions of the Data Protection Act 1998. For the purposes of the Data Protection Act 1998, the data Controller in relation to personal data supplied about you is John Leyden.

## **14 Contracts (Rights of Third Parties) Act 1999**

14.1 Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

14.2 The advice that we give to you is for your sole use and does not constitute advice to any third party to whom you may communicate it. We accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.



## **15 Money laundering**

- 15.1 In common with all accountancy and legal practices the firm is required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017 to:
- Maintain identification procedures for all new clients;
  - Maintain records of identification evidence obtained; and
  - Report, in accordance with the relevant legislation and regulations.

15.2 We have a duty under s.330 of the Proceeds of Crime Act, The Terrorism Act, Money Laundering Regulations 2017 and The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 to report to the National Crime Agency (NCA) if we know, or have reasonable cause to suspect, that you, or anyone connected with your business, are or have been involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence.

15.3 The offence of money laundering is defined by s. 340(11) of the Proceeds of Crime Act and includes concealing, converting or processing the benefits of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit.

*This definition is very wide and would include such crimes as:*

- *Deliberate tax evasion;*
- *Deliberate failure to inform the tax authorities of known underpayments or excessive repayments;*
- *Fraudulent claiming of benefits or grants; or*
- *Obtaining a contract through bribery.*

*Clearly this list is by no means an exhaustive list.*

- 15.4 We are obliged by law to report any instances of money laundering to NCIS without your knowledge or consent. In fact, we may commit the criminal offence of tipping off under s. 333 of the Proceeds of Crime Act if we were to inform you that a report had been made. In consequence, neither the firms' principal nor staff may enter into any correspondence or discussions with you regarding such matters.
- 15.5 We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfill our obligations under the Proceeds of Crime Act 2002 in accordance with the guidance published by The Institute of Chartered Accountants in Ireland.

## **16 Limitation of liability**

16.1 We will provide our professional services with reasonable care and skill. However, we will not be held responsible for any losses arising from the supply by you or others of incorrect or incomplete information, or your or others' failure to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or other relevant authorities.



- 16.2 You agree to hold harmless and indemnify us against any misrepresentations, whether intentional or unintentional, supplied to us orally in connection with this agreement.
- 16.3 You agree that you will not bring any claim in connection with services provided to you by the firm against any of our directors or employees on a personal basis.
- 16.4 You acknowledge that we are only required to act on your written instructions. Whilst verbal instructions may be acted on, we cannot accept any liability for failure to do so.

## **17 Applicable law**

- 17.1 This engagement letter is governed by, and construed in accordance with, English law. The Courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

If any provision in this Standard Terms of Business or any associated engagement letter, or its application are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.